



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE
Foreign-Trade Zones Board
[B-25-2019]

Foreign-Trade Zone (FTZ) 80 – San Antonio, Texas;
Notification of Proposed Production Activity
CGT U.S., Ltd.
(Polyvinyl Chloride (PVC) Coated Upholstery Fabric Cover Stock)
New Braunfels, Texas

CGT U.S., Ltd. (CGT) submitted a notification of proposed production activity to the FTZ Board for its facility in New Braunfels, Texas. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on April 10, 2019.

CGT already has authority to produce PVC coated upholstery fabric cover stock within Subzone 80E. The current request would add foreign status materials/components to the scope of authority. Pursuant to 15 CFR 400.14(b), additional FTZ authority would be limited to the specific foreign-status materials/components described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt CGT from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, CGT would be able to choose the duty rate during customs entry procedures that applies to PVC coated upholstery fabric cover stock (duty free). CGT would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include polyester knit woven dyed fabric and PVC plasticizer (duty rates are 14.9% and 6.5%, respectively). The request indicates that the polyester knit woven dyed fabric will be admitted to the zone in privileged foreign status (19 CFR 146.41), thereby precluding inverted tariff benefits on such items. The request also indicates that certain materials/components are subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Diane Finver at Diane.Finver@trade.gov or (202) 482-1367.

Dated: April 15, 2019.

Andrew McGilvray,
Executive Secretary.

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